Flouting of rules by foreign banks

2060. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware that some foregin banks are flouting the guidelines issued by the Reserve Bank of India for regulating the functioning of commercial banks in India;

(b) if so, the details thereof; and

(c) the steps taken/proposed to be taken to make such banks adhere to the RBI's directives particularly relating to closure of their operations in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) to (c) Reserve Bank of India (RBI) has reported that Bank of Tokyo-Mitsubishi Limited (BTML) closed its Kolkata Branch on 6th August, 2002 abruptly. Although the Bank was not required to seek prior approval of RBI for such closure, it was expected of the Bank to inform RBI well in advance of any such decision and to ensure that the process of closure is smooth with appropriate notice to all concerned, so that the customers were not put to inconvenience. The Bank apologized for the lapse and promised to address customers complaints promptly. Subsequently, RBI advised all foreign banks, on 17th October, 2002, that they should inform, well in advance of their intention to close any of their branches. Banks have been directed to furnish a detailed plan of closure to ensure that omers interest and convenience are addressed adquately.

Settlement of tax dispute under Double Taxation Avoidance Treaty

2061. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have presented a new procedure for the speedy and time-bound settlement of tax dispute under the Double Taxation Avoidance countries entered with other countries;

(b) if so, the details thereof; and